

§ 2806.10

(c) *Monitoring Category 6.* BLM may periodically estimate the costs of monitoring your use of the grant. BLM will include this fee in the costs associated with processing fees described at §2804.14 of this part. If BLM has underestimated the monitoring costs, we will notify you of the shortfall. If your payments exceed the reasonable costs that Federal employees incurred for monitoring, BLM will either reimburse you the difference, or adjust the next billing to reflect the overpayment. Unless BLM gives you written authorization, you may not offset or deduct the overpayment from your payments.

(d) *Monitoring Categories 1-4 and 6.* If you disagree with the category BLM has determined for your grant, you may appeal the decision under §2801.10 of this part.

Subpart 2806—Rents

GENERAL PROVISIONS

§ 2806.10 What rent must I pay for my grant?

(a) You must pay in advance a rent BLM establishes based on sound business management principles and, as far as practical and feasible, using comparable commercial practices. Rent does not include processing or monitoring fees and rent is not offset by such fees. BLM may exempt, waive, or reduce rent for a grant under §§2806.14 and 2806.15 of this subpart.

(b) If BLM issued your grant on or before October 21, 1976, under then existing statutory authority, upon request, BLM will conduct an informal hearing before a proposed rent increase becomes effective. This applies to rent increases due to a BLM-initiated change in the rent or from initially being put on a rent schedule. You are not entitled to a hearing on annual adjustments once you are on a rent schedule.

§ 2806.11 How will BLM charge me rent?

(a) BLM will charge rent beginning on the first day of the month following the effective date of the grant through the last day of the month when the grant terminates. *Example:* If a grant became effective on January 10 and ter-

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minated on September 16, the rental period would be February 1 through September 30, or 8 months.

(b) BLM will set or adjust the annual billing periods to coincide with the calendar year by prorating the rent based on 12 months.

(c) If you disagree with the rent that BLM charges, you may appeal the decision under §2801.10 of this part.

§ 2806.12 When do I pay rent?

(a) You must pay rent for the initial rental period before BLM issues you a grant.

(b) You make all other rental payments for linear rights-of-way according to the payment plan described in §2806.23 of this subpart.

(c) After the first rental payment, all rent is due on January 1 of the first year of each succeeding rental period for the term of your grant.

§ 2806.13 What happens if I pay the rent late?

(a) If BLM does not receive the rent payment within 15 calendar days after the rent was due under §2806.12 of this subpart, BLM will charge you a late payment fee of \$25.00 or 10 percent of the rent you owe, whichever is greater, not to exceed \$500 per authorization.

(b) If BLM does not receive your rent payment and late payment fee within 30 calendar days after rent was due, BLM may collect other administrative fees provided by statute.

(c) If BLM does not receive your rent, late payment fee, and any administrative fees within 90 calendar days after the rent was due, BLM may terminate your grant under §2807.17 of this part and you may not remove any facility or equipment without BLM's written permission (*see* §2807.19 of this part). The rent due, late payment fees, and any administrative fees remain a debt that you owe to the United States.

(d) If you pay the rent, late payment fee, and any administrative fees after BLM has terminated the grant, BLM does not automatically reinstate the grant. You must file a new application with BLM. BLM will consider the history of your failure to timely pay rent in deciding whether to issue you a new grant.